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MARCH 2, 1964

BRAZIL'S EXPORT CROPS

THE EEC ROUNDS OUT ITS FARM POLICIES

U.S. MEAT AGREEMENTS

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

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FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

MARCH 2, 1964
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Harvesting sugar on a Brazilian plantation. Brazil is attempting to lessen its dependence on coffee by increasing production of sugar and other crops. (Story on page 8.)

Contents

3 The EEC Rounds Out Its Common Agricultural Policies

5 U.S. Signs Meat Agreements With Australia, New Zealand, and Ireland

6 Market Development

- U.S. Cotton Industry Increased Use of Consumer Advertising in 1963's Multifaceted Promotion
- 1964 Maid of Cotton
- U.S. Turkey Institutional Promotion Helps Triple Sales to Italy
- Japan Dairy Industry Group Visits New Zealand Dairies
- Building of Silos in Singapore Opens Market to U.S. Grains
- Food for Peace Shipments Reached New Highs in 1963
- Hy-Line Poultry Farms, Iowa, Gets Presidential "E" Award

8 Coffee-Raising Brazil Looks to Other Crops for Export

10 World Crops and Markets (commodity index on page 16)

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The EEC Rounds Out Its Common Agricultural Policies

U.S. agricultural exporters have a vital interest in the emerging pattern of the Common Market's farm production, marketing, and trade.

By STUART LERNER
Trade Policy Division
Foreign Agricultural Service

The Council of Ministers of the European Economic Community, at its meeting in December, reached agreement on basic elements of the long-awaited EEC common agricultural policies on rice, beef and veal, dairy products, and vegetable oils and oilseeds. It is now at work on the complex regulations needed to put these policies into effect.

These are among the last in the series of common agricultural policies that the six Member States have been working out ever since the signing of the Rome Treaty in 1958. The first group of CAP's, all approved in January 1962, dealt with grains, fruits and vegetables, wine, poultry, eggs, and pork. The two groups together account for about 85 percent of EEC's agricultural production.

The Council's approval of a CAP does not mean that the policy can go immediately into operation. Next must come the long and thorny procedure of framing detailed regulations on such matters as pricing, production, marketing, and trade between EEC countries and with third countries. Not only must the Council reconcile the differing agricultural systems and levels of protection in the six countries; it must also take into account the sometimes sharply conflicting interests of the commodity groups.

For the original group of CAP's, detailed regulations are now in effect, and major conflicts have all been settled except for the most difficult one—the unification of EEC grain prices. On this point, the Council has agreed that it will set prices for the 1964-65 season before April 15, 1964. This means it must decide by then whether to approve the Mansholt Proposal (see *Foreign Agriculture*, Nov. 18, 1963), the only grain plan currently under consideration.

For the newest group of CAP's, the Council has set up the following timetable of dates when it hopes regulations can go into effect: Beef and veal, April 1, 1964; dairy products, April 1, 1964; rice, July 1, 1964 (for a single market in importing countries). The vegetable oil CAP, now being revised by the EEC Commission to incorporate changes made by the Council in December, is to be submitted before June 1, and the Council has agreed to approve the regulation no later than November 1. No implementation date has been discussed, but the target is believed to be April 1, 1965.

Insofar as the new policies and their accompanying regulations have been worked out, they are presented in the sections that follow, together with major points needing clarification and possible consequences to U.S. trade.

The CAP for rice

In general, the CAP for rice will be similar to that for other grains, adjusted for the differences in production and milling techniques. The CAP price structure in the EEC's two producing countries (Italy, with 85 percent of the EEC's output, and France, with 15 percent) has not been established as yet.

In the four nonproducing Member States (Germany, the Netherlands, Belgium, and Luxembourg), a single market for rice is to be set up on July 1, 1964. Present import controls will be replaced by a variable levy system. This will make it possible to fix a single "threshold" (minimum import) price for these four countries, to establish a single c.i.f.—cost, insurance, and freight—price, and to charge a single levy on imports from nonmember countries, based on the difference between these two prices.

The common *threshold price* for importing countries has yet to be fixed by the Council. All that is known so far is that for the first year (July 1, 1964, to June 30, 1965) it will be equal to the "average world market price" plus 5 percent, but may not be lower than $125.00 per metric ton. This is about the same as the average c.i.f. price for U.S. short-grain brown rice in 1960-62. From available information, it appears that average world prices in July will be chosen as the base. Since short-grain rice is harvested in October throughout the world, July prices are among the highest in the year. The threshold price in the first year, therefore, is expected to be at least $130 to $135 per ton. This price will be the same for EEC-produced rice from Italy and France as it is for third-country rice.

The *levy on imports* will be equal to the difference between the threshold price and either the c.i.f. price (if the rice is imported from outside the EEC) or the price free at the border (if it is purchased from Italy or France). In the latter case, the difference will be reduced by a fixed amount called a *montant forfaitaire*, to insure a preference for trade in EEC-grown rice.

The levy on brown rice will be adjusted in accordance with a scale of "equivalences," or administratively determined price relationships between the brown, round-grain rice grown in the EEC and all other kinds, for determining the levy on other rice types. Where the selling price does not correspond to free quotations on world markets on which the c.i.f. price is based, the c.i.f. price will be replaced by one that is set in relation to the selling price.

A number of details are still not known. Among these are the manner in which the single market for rice is to be set up; the scales of "equivalences"; and the target prices in producing countries. For U.S. rice exports, however, the two most crucial unknowns are the level of the so-called average world price and the determination of the Community's major deficit area. If that area turns out to be the North German seaport of Hamburg, the import levy would be about $36 per ton, or almost 30 percent ad valorem, and the landed cost of rice exported by the United States to the EEC would substantially increase.

U.S. rice exports have thus far been admitted fairly freely to the Community. In Belgium-Luxembourg and the Netherlands, imports of both brown and milled rice are

free of duty. In West Germany, import duties are zero for brown rice and 15 percent ad valorem for milled rice. These countries have no other import restrictions and U.S. rice has competed freely with rice from other sources.

The CAP for beef and veal

The Common Agricultural Policy on beef and veal will be implemented in regulations adopted by the Council in early February. Its main objectives are to unify intra-Community prices and to encourage domestic production of beef rather than veal. These objectives are to be attained by a series of regulations and levies in connection with intra-Community trade and third-country trade.

Intra-Community trade will be regulated by "guide" prices (similar to the target prices for other commodity groups), by market purchases, and by intra-Community levies. Each year, every Member State will set a guide price for each of the four commodities involved—beef, veal, cattle, and calves—within limits prescribed by the Council of Ministers. These prices, which are minimum resale prices at the wholesale level, will be based upon the market prices in effect in a recent period yet to be determined. A country may buy beef or veal to support prices when the market price falls to between 93 and 97 percent of the guide price. The intra-Community levy is designed to bring the price of imported meat up to a specified percentage of the guide price—90 percent if the importing country intervenes in its home market, 95 percent if not.

Now being considered by the Council are guide prices for beef and veal for the year beginning April 1, 1964. The EEC Commission has suggested that prices for slaughter cattle in the Community as a whole range from \$24.10 to \$26.90 per 100 pounds; those for calves, from \$34.00 to \$39.70. By comparison, the average price for cattle in the Netherlands last year was \$20.20—the lowest in the Community. The highest average price was \$24.20, in Italy. For calves, the lowest actual average price in 1963 was Belgium's \$33.50; the highest, Italy's \$39.30.

Community beef and veal prices are being established to encourage production of beef rather than milk and the raising of calves to maturity rather than for slaughter as veal. This policy is being followed because of the surplus of milk in the Common Market.

EEC trade in beef and veal with third countries will be regulated with four devices: By a "gate" price (minimum import price), by the Common External Tariff (CXT), by variable levies, and by quotas on frozen meat. The gate price will be based on the target price less the CXT. The CXT, which is 20 percent ad valorem, is now scheduled to go into effect April 1, 1965. The variable levy for each country is based on the difference between the guide price and the import price. For frozen beef imported from third countries, a quota of 20,000 metric tons, with a 20 percent duty bound in GATT, has been established. An additional quota of frozen meat for use in the processing industry will be set each year, with a duty to be levied up to 20 percent. However, until the German-Danish long-term trade agreement—negotiated years ago—expires in 1965, West German imports of slaughter cattle from Denmark will be exempt from the regulations affecting imports from third countries.

It appears that the beef and veal CAP will not affect U.S. trade with the EEC to any great extent at present. On beef variety meats, the main U.S. beef export to EEC countries, the United States enjoys a 20-percent CXT, bound in GATT; and its exports of animal casings and cattle hides are bound free in GATT. Its exports of chilled, frozen, or canned beef to EEC are negligible.

The main U.S. concern over the beef CAP as it now stands is that it is likely to lead to increased EEC beef production and consequently to a decline in net beef imports. This decline could place increased pressure on the U.S. domestic market for beef.

The CAP for vegetable oils and oilseeds

The broad principles for a common policy on fats and oils that the Council approved in December include some slight modifications of the Commission's earlier proposal (see *Foreign Agriculture*, Sept. 30, 1963). One of the modifications provides that should market disturbances develop once the policies for dairy products (butter) and fats and oils are in effect, further policy changes will be made.

It now appears that the tax on vegetable and marine oils—designed to finance subsidies for oilseed producers in the EEC and its Associated Overseas States (AOS) and for Italian olive oil producers—will be equivalent to about 1.6 cents a pound. It will insure a fund of up to \$87.5 million. If necessary, additional funds will be provided by the EEC Agricultural Guidance and Guarantee Fund. For one year and possibly two, the Netherlands and West Germany will be permitted to make direct budgetary payments to the subsidy fund rather than levy the tax. This is a concession to these countries, where margarine is an important item in the cost-of-living index.

The fats and oils CAP, as it now stands, may tend to stabilize margarine prices toward the lowest EEC level—that in the Netherlands. Thus, the greatest reduction in margarine prices would occur in France and Italy, where margarine consumption is most affected by price. This could sharply increase effective demand there.

The largest margarine firm in West Germany recently increased its retail price by 1.6 cents a pound, and other producers are likely to follow suit. The Ministry of Economics believes that this increase reflects an industry attempt to restore the 1:3 margarine-butter price relationship and does not reflect the proposed EEC levy. EEC butter prices have risen during the past year in response to continued strong demand and a drop in production. While total margarine consumption in West Germany—the Community's largest producer——has fallen sharply since 1956, high-priced brands are continuing to gain favor and now account for 70 percent of total sales.

U.S. oilseed producers view the emerging EEC fats and oils policy with guarded optimism as to its long-term meaning for U.S. exports. One unknown factor is the effect that improved feeding of dairy cattle may have on a possible surplus of milk and butter in the EEC. The Commission has expressed concern on this point. Another question that cannot be answered yet is the amount, timing, and effectiveness of the subsidies for AOS producers.

The EEC Commission has announced that peanut producers in the AOS will receive a subsidy of up to \$7.40 per metric ton this marketing year if the world market price falls below an established reference price. This is in addition to production aids that will be available only when the producer price is equal or superior to the reference price. In the current marketing year as in the past, Senegal—the major AOS oilseed producer—has marketed most

of its crop under an agreement with France. The French agreement price is about 20 percent above the world market price.

The CAP for dairy products

The December Council meeting reached agreement in principle for an EEC-wide dairy policy, but left many details to be settled later. The final CAP for dairy products will contain, among other features, a complicated system of target prices for milk, threshold prices, and variable levies for all dairy products. It also provides for export subsidies.

The Council also established upper and lower limits for milk target prices in the Community. The highest of these prices is in Luxembourg ($4.38 per 100 lb.) and the lowest in France ($3.66 per 100 lb.). The final common target price will probably be between these two prices.

Threshold (minimum import) prices will be based on the milk price support levels now prevailing in each Member State. These prices will be different in each State during the transition period but will move toward a common price and are expected to reach it by 1970. Import levies will be imposed on all dairy products entering the Community and will be equal to the difference between the lowest c.i.f. price and the Member State's threshold price. As with grain, poultry, and some other products, intra-Community levies will be decreased by a certain amount *(montant forfaitaire)* to ensure an EEC preference during transition.

In recent years, total production of EEC dairy products has been largely in balance with EEC consumption. But the Common Market (in this case, the Netherlands and France) has long been a traditional supplier of subsidized exports of butter, cheese, and canned milk to world markets and Western Europe in particular. The CAP approved by the Council in December includes arrangements whereby the Netherlands and France can continue to subsidize butter and cheese exports to third countries.

The CAP will not significantly affect the market for U.S. dairy products in the EEC. Prior to the adoption of the CAP, the import control systems in the several Member States were so restrictive that the United States exported relatively small amounts of dairy products to the EEC countries. Although the United States is not a traditional supplier of these products to the EEC, during times of short supplies, such as in 1963, it has been a relatively large residual supplier of butter and nonfat dry milk.

U.S. Signs Meat Agreements With Australia, New Zealand and Ireland

In a voluntary move to help halt declining beef prices in the United States, the Governments of Australia, New Zealand, and Ireland have agreed to limit their meat exports to this country.

Australia and New Zealand are the principal suppliers of beef and veal to the United States, and the agreements, announced on February 17, were concluded because their shipments have increased markedly in the past few years. Ireland, which supplies about 7 percent of U.S. imports, signed a similar agreement a week later, on February 25. Heavy domestic production of fed beef along with these mounting meat imports have caused U.S. beef prices to decline—quite significantly in 1963.

In announcing the agreements, Secretary of Agriculture Orville L. Freeman stated: "Livestock producers in the United States are now assured that imports of beef, veal, and mutton this year will be limited to approximately the 1962-63 average level, about 5 percent below the record level of 1963. Future expansion of beef imports will be far below recent levels. This is the most important result of the agreements."

How exports will be limited

The agreement with Australia covers beef, veal, and mutton in all forms, other than canned, cured, and cooked meats and live animals. The agreements with New Zealand and Ireland cover only beef and veal. Australia is the only substantial foreign supplier of mutton to the U.S. market. Mutton is partially interchangeable in use with manufacturing beef, the kind of beef which constitutes the bulk of American imports.

Australia has agreed to limit its exports in 1964 to 542 million pounds, in 1965 to 562 million pounds, and in 1966 to 582 million pounds, product weight of the meats covered in its agreement.

New Zealand has agreed to limit its exports in 1964 to 231 million pounds, 1965 to 239 million pounds, and in 1966 to 248 million pounds, product weight of the meats covered in its agreement.

Ireland has agreed to limit its exports to the United States in 1964 to 76 million pounds, in 1965 to 79 million pounds, and in 1966 to 82 million.

The quantities for 1964 reflect the average level of U.S. imports from each country in 1962 and 1963. The quantities specified for 1965 and 1966 are calculated at an annual growth rate of 3.7 percent based on the agreed limits for 1964 exports. This growth rate corresponds to the expected rate of increase in the total U.S. market for these meats. The agreements provide for triennial review of this growth factor and adjustment as appropriate for each succeeding period.

No upgrading of exports

Furthermore, the agreements provide for preservation of the present pattern of trade in meat products between the United States and Australia, New Zealand, and Ireland. The three exporting countries have agreed that the proportion of primal cuts, such as steaks or roasts, should not exceed approximately the current levels.

The agreements also represent an important contribution to the stability of the meat industries of the four countries. U.S. domestic producers and Australian, New Zealand and Irish suppliers will be able to share equitably in the growth in the U.S. market.

The United States has received assurances from all three exporting countries that in implementing the agreements they will not discriminate against U.S.-owned meat-industry interests in their countries.

The agreements are of indefinite durations, but they may be terminated by either party upon at least 6 months' notice prior to the end of any calendar year.

U.S. Cotton Industry Increased Use of Consumer Advertising in 1963's Multifaceted Promotion

By W. RHEA BLAKE
Executive Vice President
Cotton Council International

The 1963 overseas promotion of U.S. cotton put fresh emphasis on consumer advertising with advertising budgets up in Italy and France—the top two markets for U.S. cotton in Western Europe. No less vital to higher U.S. cotton exports in 1963, however, were the other time-tested promotion techniques of fashion shows, retail campaigns, public information, and market research.

As in the past, Cotton Council International and FAS, sponsors of U.S. market development, worked closely with foreign industry groups. In 1963, about 250 separate projects were carried out in 16 countries predominantly in Western Europe.

With promotion already active in markets which account for 80 percent of U.S. cotton sales, 1963 was a year of intensified market development activity.

A big step was consolidation of CCI's European headquarters in Paris, the Market Research Center in Rotterdam, and the Promotion Center in Ghent into a central office in Brussels. Regional representatives remained in Oslo, Frankfurt, and Rome. The move is expected to enable U.S. cotton's market development to keep better pace with rapid changes in the Common Market.

Spearhead of advertising efforts was the first paid television advertising campaign in Europe carried out by the Italian Cotton Institute. From April to July—to coincide with Italian Cotton Weeks—ten film shorts were shown on the popular "Carosello" (Carrousel) program every 9 days. Not only did these commercials spur cotton sales during the campaign, but they won first prize in the International Festival of Advertising Films at Cannes—the only Italian entry ever to receive the honor.

The Austrian cooperator produced its first TV commercial for cotton shirts. Ten large Austrian retailers sponsored color versions of the film in local theatres, and slides on the same theme were shown in theatres by 64 retailers.

Some 73 radio commercials were produced in France and Italy, and numerous tapes were supplied to retailers in several program countries. This resulted in a total of 2,300 radio broadcasts, at no cost to the foreign cooperators.

Magazines and newspapers, however, continued to be the media most widely used. Magazine advertising totaled 255 pages, over half in consumer magazines, the remainder in trade and fashion publications. Seven foreign cooperators sponsored an impressive 490 news ads in 1963. In addition, those placed by stores in two countries alone totaled more than cooperator ads put together.

In fashion, CCI worked with the International Fashion Council on a Men's Leisure Wear project to be the theme of IFC's 1964 spring-summer promotion.

The 1963 Maid of Cotton became the first to make two promotion trips to Europe in the same season. Through Spain, Italy, West Germany, and Canada, her activities—like participation in Berlin Fashion Week and receptions by foreign dignitaries—generated the usual wide coverage by news media. In addition, retail outlets and the foreign cooperators held some 510 all-cotton events in 12 countries before audiences of around 320,000. Finland staged a series of shows for farm wives, and the Swiss used closed-circuit TV to show cotton fabrics.

1964 Maid of Cotton

Katy Sue Meredith of Alabama began her outside-U.S.A. promotion of U.S. cotton January 27 in Canada and in May leaves for a world-wide tour taking the 1964 Maid to 10 countries.

Foreign retailers active

Retail campaigns for cotton products in 1963 scored new highs in store participation, with over 31,000 outlets in 14 countries presenting them. Themes included Cotton White Sales, Cotton Weeks, and Home Decorating.

Noting the good results of the U.S. cotton promotion in Japan, Japan's cotton spinners took the initiative to launch their own campaign. The program is being financed entirely by the spinners.

Public information and market research figured importantly too in the 1963 promotion. The 13 cooperators with regular news services reported news pickups of photos, features, and editorials would stretch almost a mile if clippings were placed end to end. In nearly every program country, cotton won editorial time on TV—over 70 features in all, plus 32 on radio.

The National Cotton Council sales training film, "The Stage is Yours," was adapted for German and Finnish language versions; England reported new highs in theatre bookings for educational cotton films; and Spain launched its first organized film service for cotton motion pictures.

In 1963 the Netherlands became

the first country to adopt a quality control program for use of the international cotton emblem by manufacturers—which identifies fabrics as 100 percent cotton.

Backstopping these special projects were 665,000 publications distributed by foreign cooperators to sales personnel, wholesale buyers, teachers, and students. CCI continued to regularly publish "Cotton Press International," and its monthly Newsletter, both designed to assist foreign cooperators.

In the realm of market research, most significant development was the first CCI Market Research Conference for textile industrialists to be held outside the United States. Attended by a record 52 persons from 10 countries, the meeting reviewed the progress of West European cotton research since the start of CCI promotion, and stressed new ways research can assist sales in the changing European market. Throughout the year the 11 cooperators with research programs conducted 36 surveys, putting new emphasis on specialized areas such as teenage apparel, men's wear, and consumer attitudes regarding the characteristics of all-cotton products.

Japan Dairy Industry Group Visits New Zealand Dairies

The New Zealand Dairy Board has just been host to seven representatives of Japan's dairy industry during a week-long tour of New Zealand dairy farms and factories. Leader of the group was Mr. Manpei Asai, Chairman of the All-Japan Fluid Milk Association and President of the Iharuga Milk Co., Ltd.

The Japanese group reportedly hoped to learn new and improved methods of using imported milk products in the manufacture of various dairy items. The Japanese market for dairy products is expanding rapidly and the New Zealand Dairy Board maintains a Tokyo office and has been actively promoting there for years.

Currently, Japan gets most of its nonfat dry milk from the United States. Due to end this month is a contract under which Japan has bought 187 million pounds of U.S. nonfat dry milk for its school lunch program during the period April 1963-March 1964—largest single sale of a U.S. dairy product ever made.

U.S. Turkey Institutional Promotion Helps Triple Sales to Italy

Chef Emilio Zannini of the Institute of American Poultry Industries here demonstrates the "institutional cut-out" of frozen turkey to staff of the Rizzoli Orthopaedic Institute in Bologna. This is part of IAPI's program to promote the use of turkey by institutions in Italy, and has helped push the sale of U.S. turkey in 1963 to 1.75 million pounds, three times the amount of the previous year. The United States now sells more turkeys to Italy than does any other exporter, although Hungary is the leading exporter of poultry, in general, to this country, as it has been for 9 years.

Building of Silos in Singapore Opens Market to U.S. Grains

New trade opportunities for U.S. feed grains exporters are foreseen with the formation of a grain storage company in Singapore, National Grain Elevator, Ltd.—a joint enterprise between the Government of Singapore and the area's major grain importer.

Improved and expanded facilities for bulk handling and storage of grains to be provided by the new company may pave the way for long term purchase of U.S. grains. Initial plans call for building silos with a total capacity of 20,000 tons. Later the volume will be stepped up to 80,000 tons.

Singapore's good economic position and the area's growing livestock industry motivated the company's formation. Corn for livestock will be the principal feed grain handled; sorghums, soybeans, and wheat are also on the prospective import inventory.

Food for Peace Shipments Reached New Highs in 1963

Food for Peace shipments of U.S. farm commodities under Public Law 480 set a new record in calendar 1963—reaching a total export value of $1.6 billion.

Since the beginning of the program 9½ years ago, a total of about $13.5 billion worth of foodstuffs has been shipped—the bulk of it through Public Law 480. About $2 billion went under the Mutual Security and International Development Acts. Of the 46 countries which have received Food for Peace shipments during this period, three—Spain, Italy, and Japan—have converted to commercial buying, now rank among the United States' best cash customers for food and fiber.

Hy-Line Poultry Farms, Iowa Gets Presidential "E" Award

The Hy-Line Poultry Farms of Des Moines, Iowa, has just won the Presidential "E" Award for achievement in expanding U.S. agricultural exports.

The citation noted the firm's "pioneering in methods of introducing U.S. poultry breeding stock abroad, and its servicing of foreign buyers' needs."

Above, Brazilian workers sort cotton; this crop is currently coffee's biggest challenger. Top right, shredding carnauba leaves, which yield the rare carnauba wax.

Coffee-Raising Brazil Looks to Other Crops for Export

For years, Brazil has literally supported its economy through production of coffee, earning 50 to 70 percent of its foreign exchange from this crop. Today there are indications that this situation might change. Coffee would retain its lead, but as Brazil places more emphasis on diversification, cotton, sugar, and other crops could very well diminish its position as the country's dominant moneymaker.

One diversification project is already underway—conversion of unproductive coffee land to other crops. Under the sponsorship of the Brazilian Coffee Institute, the Executive Group for the Rationalization of Coffee (GERCA) is eliminating 2 billion coffee trees, which will be replaced by 500 million new trees, The rest of the land will probably be put into cotton, corn, and soybeans.

All three of these latter products are moving up in importance. Production of corn has risen from an annual average of 299 million bushels in 1955-59 to a record 400 million in 1962. Brazil is the world's third largest grower of this product. Cotton has climbed from an average 1.5 million bales in the crop years 1955-59 to 2.4 million in 1963. In 1962, cotton ranked next to coffee as a foreign exchange earner, bringing in $112 million compared with coffee's $643 million. Soybeans are relatively new to Brazil and production is limited but with expansion, this crop could become a big foreign exchange earner.

Expansion is also probable for Brazil's livestock and sugar industries. Brazil has the fourth largest livestock industry in the world (in terms of numbers), but because of the poor quality of its animals, yield per head is small. Sugar output is on the uptrend, mainly because of high prices rather than diversification. Brazil is the world's third largest grower of this commodity, which last year, was next to cotton in foreign exchange earned.

Brazil ranks high as a grower of numerous other products. It is the most important rice producer outside Asia. It is second only to Thailand in output of tapioca and the second to Tanganyika in the growing of sisal. It is the third largest grower of cacao and jute and the only South American country that produces pepper commercially. Also, practically all of the world's brazil nuts, oiticica oil, and carnauba wax come from Brazil.

Compared to coffee these products seem insignificant. But to their respective production regions they are of vital importance, supplying in some cases the only means of livelihood for thousands of people. For example, the heavily populated but economically poor Northeast depends almost entirely upon four crops—tapioca, carnauba wax, sisal, and castorbeans.

Northeastern Brazil produces about 40 percent of the world's tapioca and a large share of its sisal. Brazilian sisal production has undergone tremendous expansion in recent years and has been largely responsible for the Western Hemisphere's increasing share of total sisal output—from 3 percent of world production in 1935-39 to approximately 32 percent in 1962.

Here too is found the valuable carnauba wax. The extremely dry weather of the Northeast provides the ideal conditions for production of this wax, which is formed by the carnauba palm as a protective coating. The hardest wax in the world, carnauba is used in shoe polish, floor waxes, candles, lipstick, phonograph master records, carbon paper, and soap.

Brazil nuts, jute, and rubber provide the economic support for tropical Amazonas. Once the major rubber producing area of the world, this region today has a rubber output of only about 40,000 tons annually.

Temperate South Brazil grows tea and yerba maté, as well as soybeans, grains, and temperate-zone fruits and vegetables. Brazil ranks next to Argentina in South American output of tea and also in production of yerba maté, from which is brewed a popular Latin American tea.

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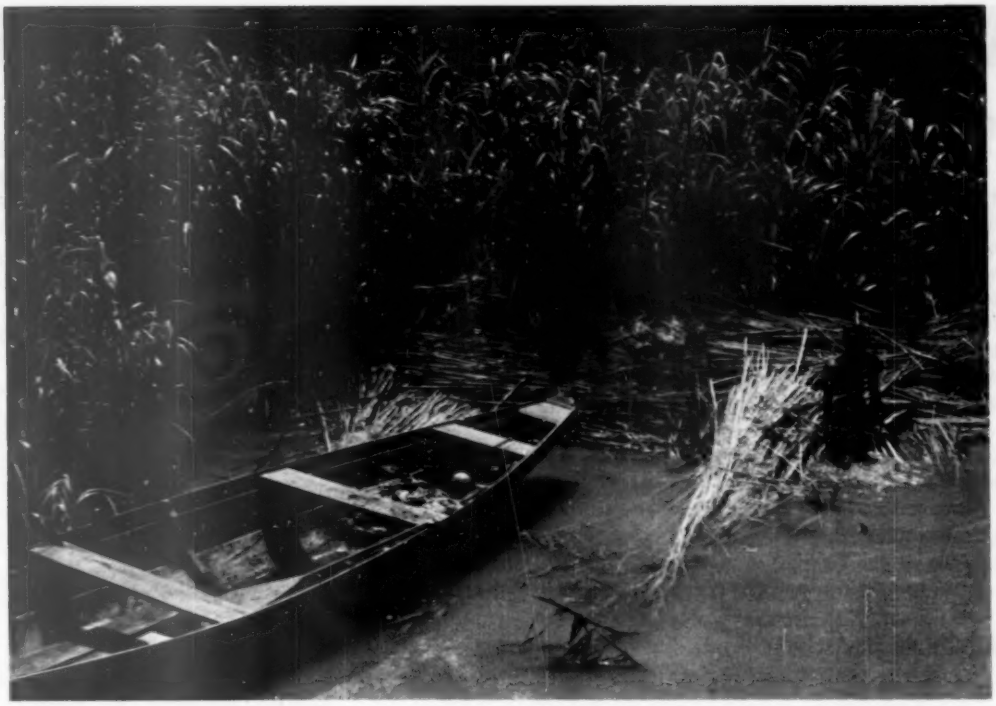
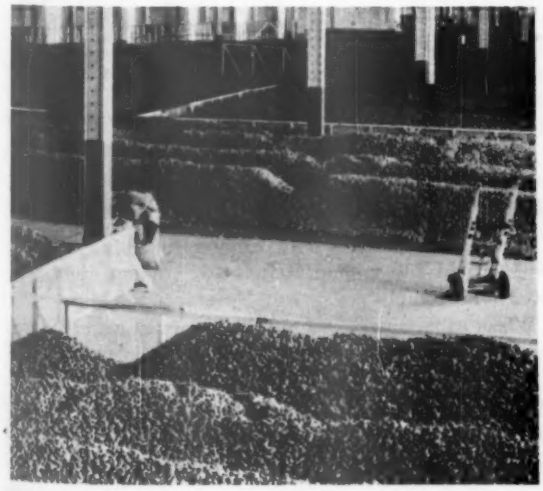
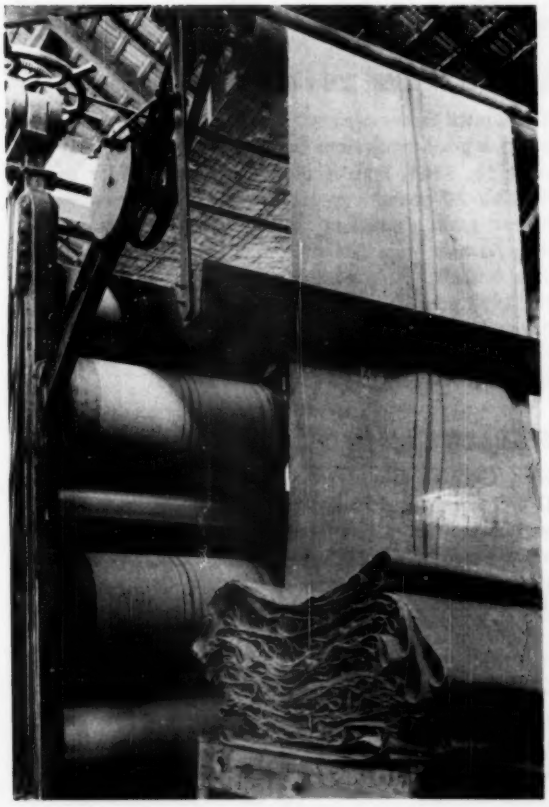


Top, along a canal joining Negro and Amazon Rivers, in the vicinity of Manaus, a native strips jute which will be taken to the Manaus market. Brazil is the world's third largest producer of jute. Below, finishing burlap.

Above, cattle at Santana stockyard. Brazil is one of world's largest cattle raisers. Below, brazil nuts stored in warehouse.





Coffee Export Quotas Increased

The International Coffee Council has raised coffee export quotas for 1963-64 to 47,172,044 bags (132.3 lb), 3.2 percent over the former level. In addition to the new quota, seven producing countries were granted export waivers totaling 948,000 bags, bringing the overall total to 48,120,044 bags—5 percent above the former quota for 1963-64. The countries are Guatemala, with 115,000 bags; Honduras, 43,000; Ivory Coast, 310,000; Peru; 40,000; Portugal, 120,000; Trinidad and Tobago, 20,000; and Uganda, 300,000.

The new 1963-64 quotas for Brazil and Colombia—the two largest producers—are 18,387,000 bags and 6,140,523 bags, respectively.

The increase in the annual export quotas for the 1963-64 season, ending September 30, 1964, resulted from a special meeting of the Council to review the market situation in light of the rapid rise in coffee prices in recent months.

U.S. Coffee Stocks Large

On December 31, 1963, U.S. inventories of green coffee totaled 4,787,000 bags—the highest level reported since 1945. End-of-year inventories were up 779,000 bags, or 19 percent, from the September 30 level and 823,000 bags, or 21 percent, from stocks on December 31, 1962.

Coffee roastings, including roastings from soluble use, in 1963 reached a new high of 22,815,000 bags, up 138,000 bags over total roastings for 1962. Roastings for soluble use, which had increased every year since 1954, dropped 4 percent below the 1962 level to 3,934,000 bags.

U.S. Exports of Wheat and Flour Continue High

The United States exported larger amounts of wheat and flour on a grain equivalent basis between July 1 and December 31, 1963, than it did during any similar period in the last 30 years.

Wheat grain shipments were up 48 percent—to 341 million bushels from 231 million. Flour shipments, at 46 million bushels (grain equivalent), were slightly less than in the 1962 period.

A detailed table and analysis was published in the February issue of the *World Agricultural Production and Trade —Statistical Report.*

West Germany's Rice Imports Decline

West German imports of rice during January-October 1963 were down 9 percent from the same period in 1962. However, they were practically the same as the 1956-60 yearly average of 126,500 tons, milled basis.

Major changes in Germany's 1963 imports of rice included a dramatic gain in imports from Egypt and sharp reductions in the quantities from Burma, Italy, and the United States. West Germany's imports from the United States of nearly 51,600 tons were about 26,900 tons, or 33 percent below those in the same period of 1962.

Approximately 87 percent of West Germany's rice imports are *semimilled.* January-October takings of this type, at 110,500 tons, were just 1 percent lower than in the same period of 1962, despite a substantial drop in U.S. shipments. Compensating for this decline was the importation of 40,100 tons of semimilled from Egypt compared with none in the same period of 1962.

Takings of *milled whole* rice, which account for only about 5 percent of total German imports, were moderately lower than in the 1962 period. Of the 6,531 tons imported, 2,430 were from the Netherlands, 1,891 from Italy, and 1,016 from Communist China.

Imports of *broken rice* showed the largest decline, falling about 51 percent. Shipments of broken rice from the United States showed a sharp increase, to 4,760 tons from 378 in January-October 1962. But purchases from other countries decreased sharply.

The proportion of West Germany's imports of broken rice to its total imports has decreased in recent years. In January-October 1963, broken rice imports, at 9,569 tons, accounted for only 8 percent of the total compared with 19 percent in 1956-60.

GERMANY, WEST: RICE IMPORTS BY COUNTRY OF ORIGIN, JAN.-OCT. 1963, WITH COMPARISONS

Country of origin	Average 1956-60	1962	January-October 1962	January-October 1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Semimilled:				
Argentina	1,772	2,559	2,410	196
Burma	4,036	267	267	—
China, Communist	3,740	1,498	1,498	—
Egypt	19,212	—	—	40,077
Italy	19,880	17,639	14,531	4,339
Spain	7,357	843	644	—
Surinam	7,222	14,154	11,922	8,598
Thailand	8,282	1,082	1,082	1,869
United States	19,298	85,298	77,490	46,567
Other countries	4,682	4,190	1,944	8,818
Total	95,481	127,530	111,788	110,464
Milled, whole	7,578	9,928	7,760	6,531
Broken	23,461	20,178	19,348	9,569
All rice:				
Argentina	2,025	4,640	4,359	1,635
Burma	16,444	11,319	10,817	988
China, Communist	8,253	3,151	3,119	1,016
Egypt	20,070	214	214	40,077
Italy	20,260	19,772	16,593	6,230
Netherlands	5,517	5,328	4,446	3,053
Spain	7,357	1,343	1,144	—
Surinam	7,422	14,154	11,922	9,073
Thailand	10,064	4,817	4,629	2,132
United States	22,977	86,505	78,477	51,594
Other countries	6,131	6,393	3,176	10,766
Total	126,520	157,636	138,896	126,564

Der Aussenhandel der Bundersrepublik Deutschland.

Canadian Wheat and Flour Exports Up 62 Percent

Canadian wheat and flour exports for July-November 1963 totaled 230 million bushels—62 percent more than the 142 million bushels of July-November 1962.

Wheat exports were 217 million compared with 130 million in the year before, while flour shipments increased 1 percent. The Soviet Union has become the largest market for Canadian wheat; in July-November 1963, over 65 million bushels were exported to that country.

A detailed table and analysis was published in the Febru-

ary issue of the *World Agricultural Production and Trade—Statistical Report.*

U.S. Feed Grain Exports Increase

U.S. shipments of feed grains totaled 8.0 million metric tons in July-December of fiscal 1964 compared with 7.4 million in the same period of fiscal 1963.

Corn and sorghum grain were the principal feed grains exported. Corn shipments totaled 5.9 million tons and sorghum grain, 1.4 million tons.

World Agricultural Production and Trade—Statistical Report for February carries a detailed table and analysis.

U.K. Cigarette Sales at Record

Cigarette sales in the United Kingdom last year totaled a record 115.2 billion pieces, compared with 109.9 billion in 1962 and the previous 1961 high of 113.4 billion. Sales have thus rebounded from the drop following the issuance of the report of the Royal College of Physicians in March 1962.

Filter-tip cigarettes last year accounted for 33 percent of total sales, compared with 26 percent in 1962. The rising trend in sales of filter tips has reduced the finished weight of 1,000 pieces of cigarettes significantly during the past few years—from 2.16 pounds in 1960 to 2.06 in 1963. In terms of weight, cigarette sales last year amounted to 237.8 million pounds—up 3 percent from the 230.9 million for 1962, but slightly under the 239.2 and 243.1 million for 1960 and 1961, respectively.

Sales of smoking mixtures for "roll-your-own" cigarettes were also up last year and amounted to 16.7 million pounds, compared with 15.8 million in 1962. Cigar sales rose to 445 million pieces from 390 million. Sales of snuff equaled the 800,000 in 1962, while those of pipe tobacco were down 6.4 percent to 16.1 million pounds from 17.2 million.

Combined sales of all tobacco products in 1963 totaled 273.5 million pounds, compared with 266.6 million in 1962, 277.9 million in 1961, and 274.8 million in 1960.

Sabah's Cigarette Trade Continues To Rise

Imports of cigarettes into Sabah, Malaysia (formerly North Borneo) during the first half of 1963 totaled 6.6 million pounds, or about one-fourth more than the 5.3 million for the same period in 1962.

Imports from Hong Kong, at 5.4 million pounds, were up 1.6 million pounds, from 3.8 million. However, those from the United States amounted to only 1.1 million pounds, compared with 1.4 million in the first 6 months of 1962.

Sabah's exports of cigarettes, largely re-exports, rose from 4.5 million pounds in January-June 1962 to 5.4 million during the first half of 1963. Accounting for most of the rise were larger shipments to the Philippines—5.3 million pounds, compared with 4.4 million.

Ontario's 1963 Flue-Cured Sales Half Completed

Auction sales of the 1963 crop of flue-cured tobacco in Ontario, Canada, through the week ending January 31 totaled 86.1 million pounds, or slightly over one-half of the estimated harvest of 182 million. The average auction price of all sales to that date was 51.3 Canadian cents per pound.

Sales during the 10th week totaled only 8 million pounds—the smallest of the season. Also, the average weekly auction price of 49.7 Canadian cents per pound was the lowest for this season thus far. The smaller marketings were attributed to an increase in the volume of tobacco returned home because of rising grower dissatisfaction relating to grade and price. The rumored 10-percent increase in retail prices of tobacco products, in conjunction with larger offerings of high-moisture tobacco, probably also held sales down.

U.S. Exports of Flue-Cured Tobacco Rise

U.S. exports of flue-cured tobacco totaled about 403 million pounds (export weight) in 1963—an increase of 7.5 percent from the 375 million in 1962. The gain reflects the improvement in the quality of the 1963 crop from that of the previous year.

Larger exports to the United Kingdom, West Germany, Japan, the Netherlands, Belgium-Luxembourg, Egypt, Thailand, and Finland more than offset drops in shipments to Australia, Ireland, Denmark, and Italy.

Exports to the United Kingdom rose from 90 million pounds in 1962 to 126 million. West Germany took 73 million pounds compared with 66 million, and Japan purchased nearly 29 million pounds against 24 million.

On the other hand, exports to Australia fell from 21.6 million in 1962 to 17.2 million last year, and Ireland's purchases dropped from 21.2 million to 13.8 million.

U.S. EXPORTS OF FLUE-CURED TOBACCO, 1962 AND 1963
(Export weight)

Destination	1962	1963[1]	Percent change 1963 from 1962
	1,000 pounds	*1,000 pounds*	*Percent*
United Kingdom	90,040	126,301	+40.3
Germany, West	65,806	73,491	+11.7
Japan	24,071	28,708	+19.3
Netherlands	19,190	21,469	+11.9
Australia	21,565	17,151	—20.5
Ireland	21,197	13,771	—35.0
Belgium-Luxembourg	12,316	12,722	+ 3.3
Egypt	10,216	11,767	+15.2
Denmark	10,615	10,020	— 5.6
Thailand	7,247	8,410	+16.0
Sweden	7,402	7,479	+ 1.0
Finland	6,638	7,103	+ 7.0
Hong Kong	5,093	6,300	+23.7
Italy	14,528	5,559	—61.7
Norway	5,589	4,421	—20.9
Malaya	4,538	3,285	—27.6
New Zealand	4,387	2,878	—34.4
Portugal	4,139	403	—90.3
Others	40,821	42,199	+ 3.4
Total	375,398	403,437	+ 7.5

[1] Preliminary.
Bureau of the Census.

Mexico Expects Larger 1964 Tobacco Harvest

The 1964 tobacco harvest in Mexico is forecast at 78.0 million pounds from 97,600 acres, or slightly more than the 1963 harvest of 75.3 million from 93,160 acres. Larger harvests are expected for all kinds of tobacco except dark air-cured, with most of the increase resulting from a further expansion in plantings of both flue-cured and burley.

The 1964 harvest of flue-cured is estimated at 12.1 million pounds, or double 1963's 6.0 million. Planted area

for flue-cured rose from 4,200 acres last season to 11,370 this season. Burley production is forecast at 19.8 million pounds from 17,300 acres, compared with the 1963 harvest of 16.0 million from 14,830 acres. Production of light sun-cured types is placed at 32.0 million—up slightly from the 30.7 million harvested in 1963. Outturn of dark air-cured, however, is forecast to drop almost 40 percent to 14.1 million pounds from 22.6 million. Planted acreages of both light sun-cured and dark air-cured types are down from last season.

Swiss Cigarette Output Increases

Swiss cigarette output during the first 9 months of 1963 totaled 11.1 billion pieces—up 11.6 percent from the 10.0 billion produced in January-September 1962. Output for calendar 1963 probably approximated 15.2 billion pieces, compared with 13.5 billion in 1962.

Canadian Cotton Consumption Continues Strong

Canadian cotton consumption, indicated by the number of bales opened by mills, was 38,083 bales (480 pounds net) in January compared with 37,091 in December and 33,196 in January 1963.

Consumption during the first 6 months (August-January) of the current season amounted to 224,000 bales. This is 13 percent above the 198,000 bales opened in the same period of 1962-63, and well above average consumption of 185,000 bales in the first 6 months of the past 5 seasons.

The demand for U.S. raw cotton in Canada continues strong. Imports from the United States during the August-October period of 1963 amounted to 75,000 bales, 95 percent of total imports, compared with 34,000 bales, or 70 percent of total imports, during the same period a year earlier. Canadian cotton goods have been in strong demand; however, manmade fabric consumption has increased at a slightly faster rate than cotton fabrics. Labor contracts for mill labor unions expire in February and March. There is some concern in Canadian textile circles that a strike might occur before new contracts can be negotiated.

EEC Will Not Regulate Hops Marketing

The Frankfurt news service on January 24, 1964, reported on German Minister of Agriculture Schwarz's statement that the EEC Commission and the Council of Ministers will not concern themselves with the problem of an EEC hops marketing regulation. If this proves to be correct, U.S. hops should continue to gain popularity with EEC brewers because of their price advantage.

1963 Greek Raisin Pack Well Below 1962

The 1963 raisin pack in Greece is estimated at 58,000 short tons. This is considerably below the 97,000 tons of 1962 and the 64,500 of 1961. Average 1956-60 production was 53,400 tons.

In 1963, production conditions were generally unfavorable throughout the raisin-growing areas. Because of an extremely hard winter, plus continued rains through the early summer and below-normal temperatures, the crop was late and occurrences of downy mildew were high. Increased application of fungicides for control of downy mildew kept the crop from being reduced even further. The quality of the 1963 pack is reported to be about average.

Greek exports of raisins during the 1962-63 season totaled 87,000 tons, an alltime record. In 1961-62, they were 52,700 tons, and in 1956-60 they averaged 47,500. During the 1962-63 season West Germany—with 28,000 tons, or over a third of total shipments—continued to be the largest individual purchaser, and the Soviet Bloc countries accounted for another third. An increasing interest was shown also by the Japanese market, which took 3,800 tons of raisins—the largest volume ever exported to that country. (However, exports to Japan during the 1963-64 season have been very small.)

Greek raisin exports during the 1963-64 season are expected to reach 53,000 tons through mid-December, shipments totaled 23,000.

Greek sultana prices in January 1964 were being quoted at considerably higher levels than a year ago but were near those of the opening 1963 quotations. In mid-January 1964 Greek sultanas were quoted, f.o.b., at $290 per short ton for No. 4 grade and $299 per ton for No. 2 grade.

RAISINS: GREECE, SUPPLY AND DISTRIBUTION, MARKETING SEASONS, 1961-1963

Item	1961	1962	1963[1]
	Short tons	*Short tons*	*Short tons*
Beginning stocks	-----	4,000	-----
Production	64,500	97,000	58,000
Total supply	64,500	101,000	58,000
Exports	52,700	87,000	53,000
Domestic disappearance	7,800	14,000	5,000
Ending stocks	4,000	-----	-----
Total distribution	64,500	101,000	58,000

[1] Estimated.

1963 Italian Walnut Harvest Small

The 1963 Italian walnut harvest is now estimated at 22,000 short tons, unshelled basis, unchanged from earlier indications. The crop is considerably below the 36,000-ton 1962 harvest and also less than the 1956-60 average of 25,100 tons.

Quality of 1963-crop Sorrento walnuts was said to be very poor, and that of the "Corrente" type was only fair.

Italy's walnut exports during the 1962-63 season totaled 15,000 tons, unshelled basis. Shipments during the 1963-64 season are expected to be below last year's, probably reaching about 13,000 tons.

Turkish Filbert Harvest Down in 1963

The 1963 production of filberts in Turkey is estimated at 95,000 short tons, unshelled basis—below the 1962 harvest of 110,000 tons but above 1961's. Average 1956-60 outturn was 99,900 tons.

Turkish exports of filberts in 1963-64 are expected to be considerably below the 1962-63 level of 104,000 tons, unshelled basis, probably ranging about 88,000 tons. Part of this difference is due to the low shell-out ratio in 1962-63.

During the first 5 months (September-January) of the 1963-64 season, Turkish filbert exports reached almost 60,000 tons, unshelled basis; for this same period there were registered export sales of 82,000 tons.

In early February 1964, Turkish Kerassundes, shelled, were quoted at 52.7 cents per pound, f.o.b., compared with 61.6 cents in February 1963.

FILBERTS, UNSHELLED BASIS: TURKEY, SUPPLY AND DISTRIBUTION, 1961-63 [1]

Item	1961	1962	Estimated 1963
	Short tons	*Short tons*	*Short tons*
Beginning stocks	——	1,000	1,000
Production	84,000	110,000	95,000
Total supply	84,000	111,000	96,000
Exports	78,600	104,000	88,000
Domestic disappearance	4,400	6,000	4,000
Ending stocks	1,000	1,000	2,000
Total distribution	84,000	111,000	96,000

[1] Marketing seasons, beginning September 1.

Italian Almond Harvest Estimate Reduced

The 1963 Italian commercial almond harvest is estimated at 39,000 short tons, shelled basis—a 5,000-ton reduction from earlier reports. However, it is well above the 1962 crop of 14,500 tons and the 1956-60 average of 29,400.

Of Italy's 1963 harvest, about 31,000 tons were accounted for by the Pujlia region and 8,000 tons by Sicily. Frequent and abundant summer rains delayed the crop by about 3 weeks, particularly in Sicily.

Italian almond exports during the 1963-64 season may approximate 28,000 tons, compared with 20,000 in 1962-63. Shipments for the first 4 months (Sept.-Dec.) totaled 19,000 tons.

Prices for Italian almonds during the 1963-64 season have weakened about 5 cents per pound since early October. In early February 1964, they were quoted at about 64.0 cents f.o.b.

ALMONDS, SHELLED BASIS: ITALY, SUPPLY AND DISTRIBUTION 1961-63 [1]

Item	1961	1962	Estimated 1963
	Short tons	*Short tons*	*Short tons*
Beginning stocks	1,000	11,000	——
Production	66,000	14,500	39,000
Imports	——	300	——
Total supply	67,000	25,800	39,000
Exports	48,000	20,000	28,000
Domestic disappearance	8,000	5,800	7,000
Ending stocks	11,000	——	4,000
Total distribution	67,000	25,800	39,000

[1] Marketing years beginning Sept. 1.

U.S. Net Imports of Tung Oil Increase

Net imports of tung oil into the United States in calendar 1963 increased almost 50 percent above the 1962 level to 9,404 tons. This was more than 2½ times imports in 1961 but 12 percent below the 1955-59 average. The increase resulted chiefly from a sharp reduction in the domestic outturn for 1962-63, despite some decline in domestic disappearance.

Imports from Paraguay, whose outturn of tung oil has been rising, comprised over one-fourth of the total compared with only 13 percent during the 1955-59 period. And from Argentina—which continues to be the major source of U.S. tung oil imports since trade with Communist China was banned in 1950—the volume of tung oil imported was the smallest since 1948.

No import quota is now in effect in the United States. The marketing year quota of 26 million pounds of tung oil (including the equivalent of tung nuts), which became effective September 9, 1957, was eliminated by Presidential Proclamation on May 2, 1962.

In 1964, net imports of tung oil may drop significantly despite reduced stocks and a possible increase in domestic disappearance. The expected decline reflects prospects for a sharp rise in domestic outturn from 1963 crop nuts.

The prices of tung oil in tanks, basis New York, which in calendar 1963 averaged 37.4 cents per pound, was quoted at 28.5 cents on February 5. The support price on tung oil from the 1963 crop is again 24.0 cents per pound.

UNITED STATES: TUNG OIL IMPORTS AND EXPORTS AVERAGE 1955-59, ANNUAL 1960-63

Country	Average 1955-59	1960	1961	1962 [1]	1963 [1]
IMPORTS	*Short tons*	*Short tons*	*Short tons*	*Short tons*	*Short tons*
South America:					
Argentina	11,155	9,856	12,038	9,659	6,026
Brazil	188	88	276	——	979
Paraguay	1,754	1,530	1,133	950	2,640
Total	13,097	11,474	13,447	10,609	9,645
Africa:					
British East Africa	16	——	——	——	——
Rhodesia-Nyasaland	123	205	——	——	34
Others	83	——	——	——	[2]54
Total	222	205	——	——	88
Grand Total	13,319	11,679	13,447	10,609	9,733
EXPORTS					
North America:					
Canada	373	653	461	222	132
Mexico	102	91	53	176	43
Others	17	45	9	5	10
Total	492	789	523	403	185
Western Europe:					
Germany, West	403	497	224	——	——
Netherlands	220	2,311	4,950	1,313	——
United Kingdom	719	2,505	887	914	——
Others	1	111	——	11	——
Total	1,343	5,424	6,061	2,238	——
Africa, total	——	6	31	——	2
Asia-Oceania:					
Australia	33	——	——	——	——
Japan	749	4,525	3,150	1,556	——
Others	29	86	80	24	69
Total	811	4,611	3,230	1,580	69
South America:					
Colombia	19	62	44	22	51
Venezuela	19	31	17	59	19
Others	——	2	2	4	3
Total	38	95	63	85	73
Grand total	2,684	10,925	9,908	4,306	329
Net imports	10,635	754	3,539	6,303	9,404

[1] Preliminary. [2] All from Republic of South Africa.
Department of Commerce.

U.S. Exports of Soybeans, Edible Oils, Oilseed Meals

Exports of edible oils in December gained sharply from the previous month while those of soybeans increased only slightly. Exports of oilseed cakes and meals declined somewhat but were still at a relatively high level.

Exports of *soybeans*, at 21.8 million bushels, were up 500,000 bushels from November. Major destinations for soybean shipments and the respective percentages of the total were Canada 21; the Netherlands, Japan, and West Germany 16 each; Denmark and Italy 7 each; and France and Israel 4 each. Although Canada—as reported by census data—appears to be the major importer, a large but undetermined volume is actually held in transit for European destinations until the St. Lawrence River again is navigable.

In October-December, the first quarter of the current marketing year, cumulative exports were 8 percent below those in the first quarter of 1962-63.

Exports of *edible oils* (soybean and cottonseed) in December increased by more than one-third from the preceding month, with commercial sales representing virtually all of the total. However, cumulative shipments during October-December were down 12 percent.

December exports of *soybean oil*, at 57.4 million pounds, were up 36 percent from those in November. Major markets and percentages were Colombia 46 the Netherlands 18; Iran and Peru 8 each; Poland 4; and Morocco 3. Cumulative shipments in October-December were 18 percent below first quarter shipments last year.

Cottonseed oil exports also increased significantly in December. At 40.8 million pounds, exports were up 32 percent from those in November. Major destinations and percentages were the Netherlands 39, Canada 15; West Germany 13, Turkey 10; and Iran and Venezuela 6 each. In October-December, shipments were up only 4 percent.

Shipments of *cakes and meals* from the United States in December at 147,700 tons, declined by 14 percent from November. Cumulative shipments in October-December were about 5 percent below those in the 1962-63 period.

Soybean meal accounted for 96 percent of the total U.S. exports of cakes and meals in December. Major destinations and percentages in December were France 22; Italy 13; Denmark, Canada, and Yugoslavia 9 each; and Belgium, West Germany, and Spain 8 each.

U.S. EXPORTS OF SOYBEANS, EDIBLE OILS, AND CAKES AND MEALS, DEC. 1962-63 WITH COMPARISONS

Item		December		October-December	
		1962[1]	1963[1]	1962-63[1]	1963-64[1]
Soybeans	Mil. bu.	18.7	21.8	68.5	62.9
Oil equiv.	Mil. lb.	205.4	239.9	752.6	690.6
Meal equiv.	1,000 tons	439.7	513.5	1,610.7	1,478.1
Edible oils:					
Soybeans:					
Commercial[2]	Mil. lb	93.4	57.3	222.6	199.0
Foreign donations[3]	do	4.6	0.1	21.1	0.1
Cottonseed:					
Commercial[2]	do	31.5	40.8	82.9	97.0
Foreign donations[3]	do	3.3	(4)	10.1	(4)
Total oils	Mil. lb	132.8	98.2	336.7	296.1
Cakes and meals:					
Soybean	1,000 tons	114.5	142.5	375.8	389.3
Cottonseed	do	10.6	5.2	37.5	23.7
Linseed	do	2.4	(5)	32.7	15.8
Total cakes and meals[6]	do	129.9	147.7	449.8	428.9

[1] Preliminary. [2] Includes Titles I, II, and IV, P.L. 480, except soybean and cottonseed oils contained in shortening exported under Title II. Excludes estimates of Title II exports of soybean and cottonseed oil not reported by Census. [3] Title III, P.L. 480. [4] Less than 50,000 pounds. [5] Less than 50 tons. [6] Includes peanut cake and meal and small quantities of other cakes and meals.

Compiled from USDA and Bureau of the Census records.

Suez Canal Shipments Rise in December

Northbound shipments of oil-bearing materials through the Suez Canal in December 1963 were 26 percent above those of November (*Foreign Agriculture*, Feb. 10) and 15 percent above those of December 1962.

Total shipments during the first 3 months of the current U.S. marketing year, however, were 6 percent below those of October-December 1962, reflecting the reduced volume of peanuts and cottonseed. Shipments of both copra and castorbeans were higher.

OIL-BEARING MATERIALS: SUEZ CANAL, NORTHBOUND SHIPMENTS BY KIND, DEC. 1963, WITH COMPARISONS

Item	December		October-December	
	1962	1963	1962	1963
	Metric tons	*Metric tons*	*Metric tons*	*Metric tons*
Soybeans[1]	46	——	333	510
Copra	57,589	86,468	199,026	222,722
Peanuts	30,248	18,101	66,700	35,475
Cottonseed	22,617	18,471	68,676	44,668
Flaxseed[2]	877	1,733	4,084	5,907
Castorbeans	6,321	17,772	16,172	32,991
Palm nuts and kernels	3,233	5,041	4,732	7,837
Others	13,575	7,001	37,324	21,405
Total	134,506	154,587	397,047	371,515

[1] 1 metric ton of soybeans equals 36.743333 bu. [2] 1 metric ton of flaxseed equals 39.367857 bu.

Suez Canal Authority, Cairo, Egypt.

Soybean shipments through the Canal were nil in December and for the quarter were of but minor importance.

SOYBEANS: SUEZ CANAL, NORTHBOUND SHIPMENTS, OCT., NOV., DEC., AND QUARTERLY TOTALS, 1959-63

Month and quarter	Year beginning October 1				
	1959	1960	1961	1962	1963
	1,000 bushels	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*	*1,000 bushels*
October	2,315	37	381	11	0
November	514	257	130	0	19
December	5,769	625	408	2	0
October-December	8,598	919	919	12	19
January-March	13,999	6,062	4,082	1,328	——
April-June	8,635	1,213	239	573	——
July-September	2,756	2,756	327	1,585	——
October-September	33,988	10,950	5,567	3,498	——

Totals computed from unrounded numbers.

Suez Canal Authority, Cairo, Egypt.

U.S. Sesameseed Imports Larger

The United States imported 12,660 short tons of sesameseed in 1963, one-fourth more than in the previous year. Central America, the principal source of supply, accounted for 79 percent of total U.S. imports against 83 percent in 1962. Mexico was a big new supplier.

U.S. imports of edible sesameseed oil, however, fell to 560 tons from 641 in 1962.

Argentine Sunflower Area Down, Peanuts Up

According to the first official estimate, Argentina—a major world producer of sunflower oil—has reduced its sown area of sunflowerseed 7 percent to 2,248,600 acres, from the 2,429,000 acres of 1962-63. This is the smallest acreage since 1954-55. The decline probably resulted from increased plantings of prains, particularly corn, which is more profitable than sunflowerseeds, even though the price support level on the latter has been increased.

Peanut plantings are officially estimated at 766,000 acres, 11 percent above last year's 692,000. Rainfall in the Cordoba Province during November and December reportedly is above average and consequently yields are expected to exceed those of last year.

A large portion of Argentina's peanut production moves into European markets as peanut oil. Argentine exports

of peanut oil in the January-November period of 1963 amounted to only about 40,000 short tons compared with more than 87,000 in the same period of 1962. However, indications are that exports will increase this year.

U.S. Exports of Peanuts and Oil Rise Sharply

The United States exported 19,191 tons of peanuts in 1963, of which 18,367 tons were shelled and the small remainder, unshelled. The tonnage was over twice that of 1962, reflecting mainly the expansion in exports to Canada, which took 80 percent of the total.

Small quantities of peanuts are imported each year, chiefly from Mexico. In 1963, imports of 1,692 tons also were more than double those of the previous year.

Exports of peanut oil rose in 1963 to 4,572 tons from only 82 tons in 1962. Over 80 percent of the total went to the Netherlands, Switzerland, and Canada. No oil was imported last year.

U.S. exports of peanuts and peanut oil represent only a small part of total U.S. production, and U.S. peanut exports, only a very small percentage of total world exports for use in making peanut oil and meal. Peanut production in the United States is chiefly for domestic consumption in the form of nuts as such, peanut butter, and confections.

U.S. EXPORTS AND IMPORTS OF PEANUTS, AVERAGE 1955-59, ANNUAL 1961-63

Item and country	Average 1955-59	1961	1962[1]	1963[1]
SHELLED				
Exports:	*Tons*	*Tons*	*Tons*	*Tons*
Canada	7,644	14,054	7,439	14,740
Cuba	42	—	—	—
Mexico	9	22	20	11
Panama	280	140	184	324
Venezuela	536	371	365	421
Belgium-Luxembourg	288	500	63	116
France	926	1,080	9	10
Germany, West	102	2	3	1,943
Netherlands	1,312	3,028	25	188
Sweden	53	90	65	92
Switzerland	2,968	1,045	40	76
Congo, Republic of	—	127	64	13
Israel	889	—	—	111
Others	949	688	324	322
Total	15,998	21,147	8,601	18,367
Imports:				
Mexico	3,624	—	35	144
India	3,463	18	—	—
Philippines	929	278	370	—
Others	4,860	336	64	98
Total	[2]12,876	[3]632	[4]469	[5]242
UNSHELLED				
Exports:				
Bahamas	26	78	55	66
Canada	791	31	181	604
Cuba	6	—	—	—
Mexico	1,217	13	16	11
Panama	4	—	1	—
Venezuela	8	—	—	—
Belgium-Luxembourg	1	—	—	20
Japan	—	6	35	70
Others	102	52	32	53
Total	2,155	180	320	824
Imports:				
Mexico	125	139	170	1,430
Philippines	2	—	—	—
Others	1	4	7	20
Total	128	143	177	1,450

[1] Preliminary. [2] Includes 11 tons of blanched or roasted peanuts. [3] Includes 62 tons of blanched or roasted peanuts. [4] Includes 63 tons of blanched or roasted peanuts. [5] Includes 101 tons of blanched or roasted peanuts.
Compiled from official Department of Commerce records.

U.S. EXPORTS AND IMPORTS OF PEANUT OIL[1], AVERAGE 1955-59, ANNUAL 1961-63

Item and country	Average 1955-59	1961	1962[2]	1963[2]
Exports:	*Tons*	*Tons*	*Tons*	*Tons*
Canada	577	8	58	1,050
Cuba	901	—	—	—
Netherlands, Antilles	—	1	[3]	260
Venezuela	215	1	—	1
Belgium-Luxembourg	528	—	—	—
France	488	—	—	—
Germany, West	155	663	—	551
Netherlands	1,079	336	—	1,583
Switzerland	189	—	—	1,108
United Kingdom	65	2,505	8	—
Morocco	110	—	—	—
Others	356	35	16	19
Total	4,663	3,549	82	4,572
Imports:				
Argentina	321	666	338	—
Canada	30	—	85	—
Belgium-Luxembourg	88	—	—	—
Netherlands	1,474	—	275	—
United Kingdom	521	—	—	—
Others	1,801	1	[4]1,440	—
Total	4,235	667	2,138	—

[1] Crude and refined oil combined as such. [2] Preliminary. [3] Less than 0.5 ton. [4] Includes 1,004 tons from Republic of South Africa and 435 tons from Nigeria.
Compiled from official Department of Commerce records.

U.S. Lard Exports Up 27 Percent in 1963

U.S. lard exports totaled 538 million pounds in 1963, up 27 percent from the previous year.

Exports in 1963 were just slightly below the average of 1956-60, years when the overseas market was more diversified. Cuba was then an important outlet taking 183 million pounds per year. Recently, the United Kingdom has become virtually the only major market for U.S. lard. In 1963 shipments to the United Kingdom accounted for 80 percent of the total exports.

LARD, INCLUDING RENDERED PORK FAT: U.S. EXPORTS, AVERAGE 1956-60, ANNUAL 1960-63

Country	Average 1956-60	1960	1961	1962	1963[1]
	Million pounds	*Million pounds*	*Million pounds*	*Million pounds*	*Million pounds*
United Kingdom	216	349	278	350	436
Germany, West	31	16	19	14	19
Canada	15	21	22	21	15
Yugoslavia	35	[2]	—	[2]	14
Mexico	12	10	12	11	11
Czechoslovakia	—	—	—	1	8
Bolivia	4	3	4	1	7
Haiti	7	8	8	7	6
Panama	5	3	3	4	3
Chile	1	1	2	1	2
China (Taiwan)	—	—	—	—	2
Japan	[2]	[2]	1	[2]	1
Cuba	183	190	43	—	—
Others	36	19	25	12	14
Total	545	620	417	422	538

[1] Preliminary. [2] Less than 500,000 pounds.
Compiled from reports of the U.S. Department of Commerce.

Mexico Reduces Tariff on Fat Cattle Exports

The Mexican Government in February published in its official publication *Diario Oficial* a resolution permitting a 50-percent reduction in the export duty on fed steers.

Cattle to be eligible for the lower duty must have been in feedlots for a minimum period of 2 months.

The subsidy will be granted for only 10 percent of the authorized number of steers exported from the Mexican

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States of Sonora, Chihuahua, Coahuila, Nuevo Leon, Tamaulipas, and Durango. Full export duty—80 cents per head plus 73 cents per pound—will be charged on renewing shipments.

Since Mexico does not export many fat cattle, the 10-percent limitation should not affect the subsidy coverage at present.

Australian Meat Shipments to the U.S.

Two ships left Australia during the latter part of January with 1,901,760 pounds of beef and 96,320 pounds of mutton for the United States.

Ship and sailing date	Destination[1]	Arrival date[1]	Cargo	Quantity
	Western ports			*Pounds*
Anna Bakke ----- Jan. 20	Seattle	Mar. 12	Beef	150,080
	Tacoma	14	Beef	282,240
	Portland	15	Beef	199,360
	Los Angeles	22	Beef	118,720
	San Francisco	27	Beef	114,240
	Eastern ports			
Cap Delgado ---- Jan. 25	Philadelphia	25	Beef	127,680
	New York	27	Beef	909,440
	New York	27	Mutton	96,320

[1] Cities listed indicate location of purchaser and usually the port of arrival, but meat may be diverted to other areas for sale.

Guatemala Sets Beef Export Quotas

The two export slaughter plants in Guatemala have been issued quotas to slaughter 50,000 head of cattle for export this year (25,000 at each plant). This is the same quota they received last year when they could not obtain enough cattle and killed only 42,000 head.

U.S. imports of beef and veal from Guatemala increased from 1.9 million pounds in 1961 to 12.3 million in 1962 to 14.8 million in 1963.

Cattle numbers on farms in Guatemala are continuing to go up, and there is much interest in breed improvement and increased production from present herds.

A new rendering plant being built in Escuintla is expected to open for business this spring. This might affect tallow and grease imports from the United States, which amounted to almost 23 million pounds last year and 13 million in 1962. Tallow imports are subject to high duties.

WORLD CROPS AND MARKETS INDEX

(Other commodity articles listed on page 2)

Cotton
12 Canadian Cotton Consumption Continues Strong

Fats, Oilseeds, and Oils
13 U.S. Net Imports of Tung Oil Increase
13 U.S. Exports of Soybeans, Edible Oils, Oilseed Meals
14 Suez Canal Shipments Rise in December
14 U.S. Sesameseed Imports Larger
14 Argentine Sunflower Area Down, Peanuts Up
15 U.S. Exports of Peanuts and Oil Rise Sharply

Fruits, Vegetables, and Nuts
12 EEC Will Not Regulate Hops Marketing
12 1963 Greek Raisin Pack Well Below 1962
12 1963 Italian Walnut Harvest Small
12 Turkish Filbert Harvest Down in 1963
13 Italian Almond Harvest Estimate Reduced

Grains, Feeds, Pulses, and Seeds
10 U.S. Exports of Wheat and Flour Continue High
10 West Germany's Rice Imports Decline
10 Canadian Wheat and Flour Exports Up 82 Percent
11 U.S. Feed Grain Exports Increase

Livestock and Meat Products
15 U.S. Lard Exports Up 27 Percent in 1963
15 Mexico Reduces Tariff on Fat Cattle Exports
16 Australia Meat Shipments to the U.S.
16 Guatemala Sets Beef Export Quotas

Sugar, Fibers, and Tropical Products
10 Coffee Export Quotas Increased
10 U.S. Coffee Stocks Large

Tobacco
11 U.K. Cigarette Sales at Record
11 Sabah's Cigarette Trade Continues To Rise
11 Ontario's 1963 Flue-Cured Sales Half Completed
11 U.S. Exports of Flue-Cured Tobacco Rise
11 Mexico Expects Larger 1964 Tobacco Harvest
12 Swiss Cigarette Output Increases

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